

Reagan Offers His Pledge To Assist Farmers in Crisis

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surplus in the Middle West that has depressed farm prices.

"I think that George has mellowed considerably since he learned what we had done," Mr. Reagan said of his Secretary of State.

Mr. Reagan said he wanted to bring farmers a message of "concern and help" because some sectors of "our farm economy are hurting."

"And their anguish is a concern to all Americans," he said.

Mr. Reagan repeated his view that many of the current problems of farmers were caused by "Government imposed embargo and restrictions" not mention Government's long history of conflicting and haphazard policies.

The President said his "ultimate aim" remains one of economic independence for agriculture. But until that objective is met, he said, "the Government must act compassionately and responsibly."

Earlier today, addressing an enthusiastic crowd of 10,000 people at the State Fair, the President moved to assist farmers in the Middle West who are alarmed over large grain surpluses.

He said the Administration would attempt to allay concern over the grain surplus by easing regulations on loans.

Report of an Increase

The White House today denied that Mr. Reagan had been planning to announce that he would increase Federal fees paid to farmers for storing surplus grain. A senior official in the Agriculture Department said Monday that the increase would be announced in Mr. Reagan's speech in Springfield, Ill.

account had been confirmed by two White House officials, including a senior Reagan aide, both of whom said they had seen Mr. Reagan's speech.

The senior Agriculture Department official said a proposal for increased fees had been under "active consideration" at the Department, while Larry Speakes, the White House spokesman, said it was "never contemplated" at the White House.

The President said he had directed Agriculture Secretary Earl Warren E. Lyng to ease regulations that prevent farmers from receiving price support loans if they pledge grain that is not kept in federally approved storage facilities, such as silos and grain elevators. Only grain stored in such facilities can be used as collateral for the loans, often sought by farmers to purchase next year's crop.

Mr. Reagan's directive would include grain stored on private land in barges. That should help to alleviate a shortage in storage space and should allow farmers to avoid paying high commercial rates for authorized sites, a White House fact sheet said.

"Farmers need these harvest loans, and we intend to see they get them, regardless of problems with storage that are beyond their control," Mr. Reagan said.

Today, on a stage with hay serving as a backdrop, Mr. Reagan said he would, through his message on farm assistance to the particular difficulties faced in Illinois.

State agriculture officials have estimated that the forthcoming harvest could yield a grain surplus of about 120 million bushels, according to the United States Agriculture Department announced today that, despite drought in the Southeast and a sharp cutback in plantings nationally, the 1968 grain harvest was



Gov. Michael N. Castle of Delaware and Gov. Martha Layne Collins of Kentucky yesterday at a conference.

shaping up as the second-largest on record after 1965.

"Here in the Midwest, there's no drought to our problems all the same, storage is scarce," Mr. Reagan said. "And my friends, America has too much grain in her farm. Too much history, too much pride, not to help in hard times."

"I give you my promise—the nation will see the farmers through," he added.

Drought Plan Outlined

Mr. Reagan also used the mid-morning appearance to announce that he was appointing an interagency group to review Federal assistance to the 10 Southern and Middle Atlantic States that have been hard hit by the drought. The team, which will be headed by Mr.

Lyng, will examine the drought crisis "county by county" and recommend Federal assistance, Mr. Reagan said.

Mr. Reagan was applauded when he said that his ultimate aim remained to get government out of farming. But "right now, when some of our farmers are hurting, government has a responsibility to lend a hand," he said.

Mr. Reagan also said that his decision Aug. 1 to allow the Soviet Union to purchase four million metric tons of wheat was made to help American farmers reduce surpluses.

"The truth is, I didn't make this decision for them," he said of the Russians. "I made it for the American farmer." State Republicans had hoped that Mr. Reagan's trip would generate about \$1 million for the re-election bid of Gov. James R. Thompson and about

a fifth of that total for State Representative Judy Kohler. Mr. Thompson is being challenged by Adlai Stevenson III while Representative Kohler is attempting to unseat Senator Alan Dixon.

Mr. Reagan, echoing remarks made on a swing through the South two weeks ago, renewed an attack on the "liberal" Democratic leadership at a fundraising event at the O'Hare Exposition Center near Chicago.

"The liberal leadership of the Democratic Party hasn't changed—they're as addicted as ever to big government, high taxes and inflation," Mr. Reagan said.

"The Democratic leadership would chart the most dangerous course for a nation since the Egyptians tried a shortcut through the Red Sea," he said.

DROUGHT EFFORTS DEFENDED BY AIDE

But Southern Governors Say Administration Isn't Doing Enough to Help Farms

By WILLIAM E. SCHMIDT

Special to The New York Times

CHARLOTTE, N.C., Aug. 12—A Federal agriculture official told Southern governors today that the Reagan Administration was doing all it could to aid farmers in the Southeast suffering the region's worst drought in a century.

But governors attending the annual meeting here of the Southern Governors' association said it was not enough. In a resolution, they called on Congress and the Administration to take "swift action" to make surplus grain available to Southern farmers and pressed public and private lenders to help farmers threatened with foreclosure to restructure their loans.

As the governors met here today, a steady rain fell outside, a fact that was noted by the official, Peter C. Myers, Deputy Secretary of Agriculture, and other speakers at a special session on the drought. But even with more than an inch of rain over the past 24 hours, rainfall in Charlotte this year, like many other parts of the Southeast, has been only 45 percent of normal.

"A couple of inches to help spell the end of the drought, especially if it comes at the end of the growing season," said Gov. James O. Martin of North Carolina.

Mr. Myers, the No. 2 official in the Agriculture Department, described the region's drought as an "economic disaster of historic proportion," adding: "I can assure you we're concerned, and we're not going to turn our back on these farmers."

The drought is estimated to have caused more than \$2 billion in crop and livestock losses across the region.

But Gov. Richard W. Riley of South Carolina, where 39 of 46 counties have been declared disaster areas, said the Administration's efforts to date, including a plan to provide surplus grain to farmers at half the market price, represented "a very small thing in straightening out a farm policy which isn't working."

Both Governor Riley and Governor Martin spoke out strongly in favor of drought relief legislation the House has passed by a vote of 418 to 0. The bill, pending before the Senate, would provide for a \$1 billion surplus Government grant to help livestock growers facing shortages.

The legislation would also require the Government to supplement crop insurance benefits and provide for Federal subsidies to transport surplus hay to drought-stricken regions.

Reagan Backs Call for Pretoria Talks, but Opposes Sanctions

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clean gubernatorial and Senate candidacies.

Looking fit and relaxed, Mr. Reagan opened his news conference with a plea for Senate endorsement of his \$100 million aid request for rebels fighting the Nicaraguan Government.

"Tomorrow the Senate will cast a crucial vote," Mr. Reagan said. "The question is that of assistance to the freedom fighters who are trying to bring democracy to Nicaragua, where a Communist regime, a client state of the Soviet Union has taken over."

"The question before the Senate is, will it vote for democracy in Central America and the security of our borders, or will it vote for democracy in Central America and security of our borders, or will it vote to sit passively by while the Soviets make permanent their beachhead on the mainland of North America?" Mr. Reagan asked.

The President's comments on contra aid came hours after the Senate voted 54-46 to kill an amendment that would have barred aid to the contra. Opponents of contra aid plan further amendments to place restrictions on use of the money.

Talks With South Africa

Asked whether the United States would join with European powers in talks with the South African Government on ending apartheid, President Reagan said his Administration would be willing to do so if South Africa is interested.

"This is a sovereign nation; you can't go in and dictate to them," Mr. Reagan said, noting that President P. W. Botha of South Africa suggested the idea of meeting with leaders of West Germany, France, Britain and the United States in a speech today.

Asked if he would be willing to attend such a meeting, Mr. Reagan said he would have to examine whether the discussions should be held at the level of foreign ministers or involve heads of state.

The President said he has not selected a new nominee to be Ambassador to South Africa, or decided whether to send an envoy without ambassadorial rank.

Clarifying an earlier remark, President Reagan said he did not intend to suggest that the Communists support harsh sanctions against South Africa. Bishop Tutu has vigorously supported the United States' force an end to the Government's policies of apartheid.

Communists and A.N.C.

Of the African National Congress, Mr. Reagan said it began as a solid organization but that Communists later "moved in." He said that while there were "sound people" within the organization, the system of apartheid "is a member of the Communist party."

Asked how the United States policy on South Africa compared to its policy on Poland, Mr. Reagan said that the United States had carefully chosen sanctions to be used against Communism that would not harm its citizens.

Asked to compare his Administration's policy toward South Africa with that of the Nixon Administration, Reagan replied, "There is no comparison between South Africa and Nicaragua."

He said that while the United States was not trying to impose its system of government and philosophy on other countries, as he asserted Nicaragua was attempting to do, he was not sure if the United States would not survive international sanctions but grow stronger because of them.

Talks With Western Leaders

Mr. Botha also proposed negotiations with the leaders of the United States, Britain, France and West Germany, and with the leaders of neighboring southern African countries on regional security and economic cooperation.

It was this proposal that Mr. Reagan said he would be willing to consider.

endorsed tonight.

Mr. Reagan travelled to Springfield and Chicago this morning to campaign for two Republican candidates, Gov. James R. Thompson, the incumbent who is running for re-election against Adlai Stevenson III, and Senator Judy Kohler, who is seeking to unseat Democratic Senator Alan Dixon.

Moments after the end of the 30-minute news conference, in which the President responded to questions from White House correspondents as well as local reporters, Mr. Reagan travelled by helicopter to nearby O'Hare International Airport and boarded Air Force One for the return to Andrews Air Force Base in suburban Maryland.

Mr. Reagan's comments on South Africa came as the Senate was expected to endorse a measure this week imposing several sanctions aimed at the white minority government there and demanding steps toward dismantling the system of racial separation, or apartheid.

Momentum in Congress

Mr. Reagan has opposed tough sanctions against South Africa, saying such measures would hurt black workers there and diminish American diplomatic leverage. White House officials said that the momentum in Congress for sanctions against South Africa seemed almost virtually impossible to stop.

In June, the House voted a near-total trade embargo on South Africa that would force all American firms to leave that country within six months. A Senate bill would ban new American loans or investments, bar South African Airways from entering the United States, limit the entry into the United States of South African Government officials, and stop the import of South African uranium and coal, among other measures.

Discussing Berlin Wall

Asked if, after his strong words Monday about the Berlin Wall, he would be willing to go beyond rhetoric and put the wall on an agenda for talks with the Soviet Union, Mr. Reagan said he would have "no hesitation whatever"

in discussing the problem at a summit meeting.

He called it "a wall that should never have been put there in the first place." If the United States had taken action to knock down the wall at the beginning when it consisted of barbed wire, "I don't think there would be a wall today."

He also said the Soviet bloc has done quite a lucrative business in letting people come through that wall if the price was right. He also added that it was strange that some build walls to keep their enemies out, but in Berlin the wall was built to keep people in.

Asked what message he had received from the Rev. Lawrence Martin Jeno, who was released recently by captors

in Lebanon, the President said that the priest "did bring some oral messages" but that he felt obliged to keep them in confidence to protect the remaining American hostages.

"If I should go public, I could do some harm to the efforts to get them before," Mr. Reagan said.

Mr. Reagan said that the United States had been trying "relentlessly" to get those hostages back from the first day of their captivity.

The problem was complicated by the fact that the captors moved their prisoners frequently, President Reagan said. The result, he said, was that their whereabouts frequently were not known and that there were "broken hearts."

Senator Asks Rehnquist Data Be Made Public

By IRVIN MOLITSKY

Special to The New York Times

WASHINGTON, Aug. 12—A confidential source on the past medical problems of William H. Rehnquist said he made public, Senator Paul Simon, a Democratic member of the Judiciary Committee, said tonight.

With the Judiciary Committee preparing to vote this week on Mr. Rehnquist's nomination to be Chief Justice of the United States, Mr. Simon said that his colleagues in the Senate and the public had not yet received sufficient information.

Simon said he had a confidential medical report about Justice Rehnquist on Monday, as did the other members of the panel.

Mr. Simon and the others were given access to the report on Monday, he said, but they would not divulge its contents, a pledge the Senator held to tonight as he urged that pertinent medical information be made public.

Earlier today, however, Senator Orrin G. Hatch, a Utah Republican who is a strong advocate of Mr. Rehnquist's nomination, said the Justice's medical problems were behind him and that the

Senate ought to be concerned only with his health today.

"Frankly, the only significant thing in the report is that Justice Rehnquist is well today," Senator Hatch said.

Doctor's Independent Assessment

Senator Hatch disclosed that the independent assessment of Mr. Rehnquist's health had been carried out by Dr. William Pollack, who is the former director of the National Institute on Drug Abuse, a Federal agency. Reached at his home in Bethesda, Md., Dr. Pollack said he could not comment.

Tonight Senator Simon said, "There is no reason, on the basis of medical reports, to reject William Rehnquist's nomination, but the public and our Senate colleagues are entitled to more information than they have received."

"We have received a detailed report on a minor problem President Reagan has had. The public is entitled to a detailed medical report on a much more serious problem than the one for which Chief Justice has had."

Senator Simon's reference was to the ordinary tract examination Mr. Reagan had last week. He did not state what he meant by the "much more serious

problem" Mr. Rehnquist has had.

Congressional officials said the confidential medical report disclosed that Justice Rehnquist used increasing doses of a hypnotic drug from 1972 to 1981 to ease the pain from severe back problems. But the report concluded that Justice Rehnquist no longer uses drugs daily, the officials said.

The report says that Dr. Freeman H. Cary, who retired in July as the attending physician for Congress, was the Rehnquist physician who prescribed the hypnotic drug, Valium, over the period of nearly a decade, officials said.

Dr. Cary, reached by telephone at his Washington residence Monday, would not comment on the report. "I issued a full report to the F.B.I., which was doing a background check," he said.

"The senators must have the report. I can't tell you any more."

President's News Conference on Foreign and Domestic Issues

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the issue of freedom fighting in Nicaragua but seemed to take a close look in South Africa. Do you honestly believe that the South African Government treats its black majority worse than the Sandinista regime in Nicaragua? Though it may be, treats Nicaraguan citizens inside Nicaragua, keeping in mind the number of black South Africans who have died over the past year alone, the amount of cross-border incursions the South African Government has conducted against the neighboring states, etc. or?

A. I think that I have condemned publicly all of those things that you are talking about. On the other hand, I also realize the complexity of the South Africa problem, because much of that death that you speak of is being inflicted by blacks on blacks, because of their own tribal separations.

And all of this must be taken in account in finding a system of government. But also I'm quoting now one of those black leaders who has written a statesmanlike and eloquent letter to me just recently. And he pointed out that while yes, they were impatient and yes, they hoped that we could make progress faster, he pointed out that he was not in disagreement of both. He pointed out what he had accomplished and the things that he has done.

And he also made a point about what would happen if those in our country who want us to have the American companies that are over there doing business withdraw. And

he pointed out that those companies—some 200 of them—following the Sullivan principles in which there is the kind of treatment that we would require as a decent human society, a country with regard to their employees and outside the actual employment, the things that we do to do to improve life for the families on that, that this would all be lost if some people had their way with sanctions and with forcing us to withdraw.

But then he also pointed out that because of the Sullivan principles that have been used by these American companies, a great many South African companies had taken the cue from that and adopted the Sullivan principles that were similar to that, having to do with promotion, having to do with hiring, having to do with ignoring racial differences with regard to promotion to supervisory positions and all.

Now this is all going on. Well, nothing like that is going on in Nicaragua. Not when a priest stands up and speaks to his congregation, and because he says that we should, well, for example, protesting the fact that the government has shut down on the church's radio station, seized their printing presses so that they can't even have church bulletins any more. He pointed out that he's threatened the country for having said that.

That's a little different than what was going on South Africa.

Finding an Envoy

Q. Just to follow up, sir, twice now

black candidates to become your new Ambassador to South Africa seem for one reason or another to have fallen by the wayside. Is it—are you having difficulty in finding a black ambassador to South Africa, because you can find no qualified black who agrees with your policy there?

A. No, it has nothing to do with that. And the one that fell to the wayside, let me tell you, I regret that more than anything, I have the greatest respect and admiration for that man and what happened was some possible connection with illegal action in getting some of the people in the public relations field at this moment—and he, for one thing, very probably would not have, be able to leave and have the time to go there as this comes to hand.

Mental Health Care

Q. Mr. President, about three years ago at an editors' lunch at the White House you said that you thought a great deal of the problem of homeless people in America was mental health patients who had fallen through the cracks. Can you tell me if you still recognize that as a problem and what you've done to patch those cracks up in these years?

A. Well what has happened as you know, under the guise of civil rights, there were rulings that people who did not represent a threat of violence to themselves or to anyone else could not be committed to an institution, and that's a great many people in a turned loose from institutions who did have mental problems—whether it was retardation or whatever. And

there was no place for them at the local level, and in many instances they no family or no family that wanted them.

So they're out there on the streets, and they present a problem also in the sense that in many instances, having walked away from institutions, they turn away from many efforts of help because they feel that it might get them back—institutionalized.

Now I don't know what percentage of all of the people that are out there fall into that particular situation, but I do know from my experience as Governor that we tried at the state level to subsidize local treatment centers where they could live at home and be with the development of new drugs and so forth, drugs in the good sense—that they could be outpatients. And this was coming along, although in some instances counties just, even with the state subsidy, would not take this up.

But this is a problem in which, unless they represent a threat to someone, we're helpless to put them in an institution where they would receive the best of care and certainly fine treatments and be fed and all.

Q. A follow-up on that. Let me share with you a letter I received today from a Governor that does have a problem in the family who is mentally ill and what they say about it. They say first they suffered through emptying and closing of hospitals, then the dumping of their relatives onto the streets. Then they had the "thrash" of funds from community-based programs. They say they say in Illinois, because of the withdrawal of \$18 million Governor

Thompson has cut from mental health programs, they are now faced with the stoppage of research. What would you tell these people?

A. Well, I would tell them the things that they look into all the things that they've mentioned there are the reason for those cases. I would think that Governor Thompson would like to see that letter.

Q. Thank you, Mr. President.

Q. One more from the local side, Mr. President. How do you feel about the whole argument there. I can't really take any after. It's traditional, when the man in the aisle tells us the time is up, I can't take any more. No, that's it. I'd be bringing all the rules here and then I'd never be able to live with that side of the aisle when I got 'em back in Washington. Thank you all very much.

Q. How do you feel tonight? Any problems with your intestines?

A. I feel fine.

Q. Any problems with the tests? Do you still feel any pain?

A. No.

Q. Did you have any problems before you went in for the tests?

A. The tests just proved what I already knew. I didn't have any problems.

Q. Will you make known the results of your drug test?

A. Yes, I haven't sold me yet. But I can bet on what it is.

Q. Will you tell us?

A. Cause I know what I put in.

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